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Reorganization Attorneys for Oceanside Mile LLC dba
Seabonay Beach Resort, Debtor and Debtor in
Possession

FILED & ENTERED

OCT 22 2014

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY fortier DEPUTY CLERK

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
[LOS ANGELES DIVISION]

In re

**OCEANSIDE MILE LLC, dba Seabonay
Beach Resort,**

Debtor and Debtor in Possession.

CASE NO.: 2:13-bk-35286-BR

Chapter 11

**ORDER APPROVING MOTION OF
DEBTOR AND DEBTOR-IN-
POSSESSION FOR ORDER
AUTHORIZING EXTENSIONS OF
FINAL POST-PETITION FINANCING
BY THIRD PARTY LENDER,
PURSUANT TO BANKRUPTCY CODE §
364(c), ON A SECURED BASIS**

DATE: October 22, 2014
TIME: 10:00 a.m.
CTRM: 1668

A hearing was held by this Court on October 22, 2014 to consider the Motion of Debtor and Debtor in Possession Oceanside Mile LLC ("Debtor") for entry of an order authorizing and approving final post-petition financing by Stonegate Bank, a Florida Banking Corporation ("DIP Lender") in the amount of \$5,200,000.00 ("DIP Loan"), pursuant to Title 11, United States Code ("Bankruptcy Code"), Section 364(c), on a secured basis ("Motion"). Sandford L. Frey of Creim Macias Koenig & Frey LLP appeared on behalf of the Debtor. All other appearances were made as noted on the Court's official record.

1 The Court, having given due consideration to the Motion; the declarations and other
2 evidence submitted in support of the Motion; the record and proceedings in the case; the
3 arguments of counsel, and based upon that review and consideration, and, for other good cause
4 appearing therefore: is hereby

5 **ORDERED** that the Debtor's Motion to authorizing and approving final post-petition
6 financing by DIP Lender in the amount of \$5,202,000.00, on a secured basis is approved: and

7 **IT IS FURTHER ORDERED** that the proceeds from the DIP Loan shall be used to pay
8 off the debt owed to the existing first mortgage holder, First-Citizens Bank & Trust Company
9 ("First Citizens") in the amount of \$5,201,765.41 as provided for in this Court's prior Order
10 (Doc. 144). In addition, the Debtor shall pay, on or before the closing date of the Loan, any and
11 all accrued but unpaid interest owed to First Citizens as of the closing date of the Loan (the
12 "Interest Amount"); and

13 **IT IS FURTHER ORDERED** that the Loan is a Permitted Refinance as defined in the
14 parties' Settlement Agreement and paragraph 7 of the Court's Order (Doc. 144); and

15 **IT IS FURTHER ORDERED** that the Loan shall not be authorized and shall not close
16 until the Debtor has deposited an amount equal to \$325,000 (the "Escrow Amount") into an
17 escrow account satisfactory to First Citizens and pay the Interest Amount as set forth above. The
18 Escrow Amount shall be held in escrow subject to the terms of the Settlement Agreement.

19 **IT IS FURTHER ORDERED** that, subject to the payment to First Citizens of the
20 amounts set forth herein, the DIP Loan as described in the Promissory Note (Exhibit "C" to the
21 Motion) shall be secured by a first priority mortgage lien and security interests in all of
22 Borrower's tangible and intangible assets as described in the Security Agreement (Exhibit "D" to
23 the Motion), including, but not limited to all real property, inventory, furniture, fixtures, accounts
24 receivables, deposit accounts, patents, trademarks and other intellectual property (the
25 "Collateral"). DIP Lender's mortgage liens and security interests in the Collateral shall be senior
26 to all other interests of any party or creditor; and

1 **IT IS FURTHER ORDERED** that DIP Lender shall have a super-priority
2 administrative expense claim, on account of the DIP Loan pursuant to section 364(c)(1) and a
3 superpriority lien position pursuant to section 364(d) of the Bankruptcy Code; and

4 **IT IS FURTHER ORDERED** that DIP Lender's mortgage liens and security interests
5 shall not be primed, surcharged, altered or impaired or otherwise adversely affected in any way.
6 No claim or expense shall have priority over DIP Lender's rights in the Collateral. No
7 administrative expense, and no claim allowed and payable under 11 U.S.C. §§ 330, 331, 503(b)
8 506(c), 507 or 726, shall have priority in and to any asset of the Debtor which constitutes the
9 Collateral pursuant to 11 U.S.C. §364 (d); and

10 **IT IS FURTHER ORDRED** that the extension of credit and making of loans by Lender
11 hereunder to Borrower is in good faith and, therefore, Lender shall be entitled to the full
12 protection of 11 U.S.C. §364(e); and

13 **IT IS FURTHER ORDRED** that the terms of the financing do not contain any provision
14 for any of the following: cross-collateralization; waiving any claims respecting the validity,
15 perfection or amount of any pre-petition debt; waiving any rights under Bankruptcy Code
16 §506(c); providing for any liens against any avoidance actions; deeming pre-petition debt to be
17 post-petition debt or providing for any security for any pre-petition debt; providing for any
18 professional fee carve-outs; providing for the priming any secured lien; divesting the Debtor of
19 any discretion under a Plan; releasing any claims against the DIP Lender; granting relief from
20 stay; or waiving any procedural requirements.

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2 **IT IS FURTHER ORDRED** that Federal Rule of Bankruptcy Procedure 7062 does not
3 apply to this Order; that this Order is not subject to any applicable stay against enforcement; and
4 that this Order may be entered immediately and is immediately enforceable.
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24 Date: October 22, 2014
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Barry Russell
United States Bankruptcy Judge